

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 1495 – SB 1581

February 16, 2016

SUMMARY OF ORIGINAL BILL: Removes requirement that a person's driver license be suspended for an additional like period if convicted of driving on a suspended or revoked license; and authorizes the Department of Safety (DOS) to reinstate a person's driving privileges after being convicted of driving on a suspended or revoked license, when the person provides the Department certification, from the local court or court clerk of the applicable jurisdiction, that the person has entered into a payment plan with such local court or the court clerk and has satisfied all other provisions of law, that will allow the issuance and restoration of a driver license. Authorizes a court to order the issuance of a restricted driver license contingent upon the person participating in a payment plan for any unpaid fines or costs. Persons who default on their payment plan shall not be eligible for any future payment plan arrangements.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Revenue – Net Impact - \$233,600/Recurring

Increase State Expenditures - \$100,000/One-Time

SUMMARY OF AMENDMENT (011629): Deletes the effective date of July 1, 2016 and replaces it with January 1, 2017.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase State Revenue – Net Impact - \$116,800/FY16-17
\$233,600/FY17-18 and Subsequent
Years

Increase State Expenditures - \$100,000/FY16-17

Assumptions for the bill as amended:

- The provisions of the bill as amended removes the requirement that a person's driver license be suspended for an additional like period if convicted of driving on a suspended or revoked license, which will result in a recurring decrease in state revenue from no

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longer collecting fees related to reinstatement. The current reinstatement fees are as follows; \$100 for driving on a revoked license, \$65 for driving on a suspended license, a \$50 SR-22 fee, and a \$28 reissue fee.

- The Department of Safety (DOS) reports in FY14-15, that 2,983 drivers paid a total of \$474,447 in reinstatement fees relative to being cited for driving on a revoked license.
- DOS reports in FY14-15, that 8,042 drivers paid a total of \$106,278 in reinstatement fees relative to being cited for driving on a suspended license.
- The total recurring decrease in state revenue resulting from removing the requirement that a person's driver license be suspended for an additional like period if convicted of driving on a suspended or revoked license is estimated to be \$580,725 (\$474,447 + \$106,278).
- In FY14-15, a total of 31,075 mandatory offenses were posted to driver records that would fall under the provisions of the bill authorizing a payment plan to pay fines and costs. In that same time period, there were 18,701 (or 58 percent) of these type offenses that had licenses reinstated.
- Based on information provided by DOS, it is reasonably estimated that permitting entry into a payment plan with the court for fines and court costs will result in an additional 4,660 drivers reinstating yearly. It is estimated that 50 percent of those or 2,330 (4,660 drivers x 0.50) will default on the payment plan and that 50 percent of those defaulting or 1,165 (2,330 drivers x 0.50) will be suspended again. It is estimated that 20 percent or 233 (1,165 drivers x 0.20) of those suspended for default will apply for a restricted driver license.
- DOS reports a \$150 reinstatement fee for the estimated 4,660 additional drivers that will reinstate as a result of the bill; thus a recurring increase in state revenue estimated to be \$699,000 (\$150 x 4,660).
- DOS reports an additional \$65 reinstatement fee for the estimated 1,165 drivers that will be suspended for defaulting on the payment plan; thus a recurring increase in state revenue estimated to be \$75,725 (\$65 x 1,165 drivers).
- DOS reports a \$65 restricted driver's license fee for the estimated 233 drivers that will apply for a restricted license to drive to and from work; thus a recurring increase in state revenue estimated to be \$15,145 (\$65 x 233 drivers).
- DOS reports a \$28 license reissue fee for an estimated 75 percent of the 1,165 (or 874) suspended drivers who will reapply for a driver's license; thus a recurring increase in state revenue estimated to be \$24,472 (\$28 fee x 874 drivers).
- The total recurring increase in state revenue as a result of establishing a payment plan is estimated to be \$814,342 (\$699,000 + \$75,725 + \$15,145 + \$24,472).
- All reinstatement revenue is deposited to the General Fund.
- The net recurring increase in state revenue as a result of the bill is estimated to be \$233,617 (\$814,342 revenue increase - \$580,725 revenue decrease) beginning in FY17-18. Due to the January 1, 2017 effective date, the FY16-17 net increase in state revenue is estimated to be \$116,809 (\$233,617 x 50%).
- Based on information provided by DOS, a one-time system upgrade to the driver's license system will be required in FY16-17 to accomplish the provisions of the bill. The one-time increase in state expenditures is estimated to be \$100,000.
- DOS reported no decrease in state expenditures as a result of the bill.

- Local court clerks are currently accustomed to initiating payment plans for individuals to pay fines and court costs; therefore, it is assumed the provisions of the bill can be accomplished within existing resources, and there will be no significant change to state and local revenue with respect to fines and court costs.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

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